

SPECIAL CITY COUNCIL MEETING
JUNE 25, 1986

PRESENT

Ruth Hansen
Craig Greathouse
Don Dafoe
Gayle Bunker
David Church
Neil Dutson

Mayor
Council Member
Council Member
Council Member
Council Member
Council Member

OTHERS PRESENT

Jim Allan
Dorothy Jeffery
Warren Peterson
Bryce Ashby
Susan Callister
Doyle Bender

City Manager
City Recorder
City Attorney
Delta City Fire Chief
Assistant Recorder
City Treasurer

Mayor Ruth Hansen called the meeting to order at 5:00 p.m. Dorothy Jeffery, Delta City Recorder, acted as secretary. Mayor Hansen stated that notice of the meeting time, place and agenda was posted at the principal office of the governing body located at 76 North 200 West and was provided to the Millard County Chronicle/Progress, the local radio station, KNAK, and to each member of the City Council by personal delivery 24 hours prior to the meeting.

WARREN PETERSON: CONSIDERATION OF DELTA CITY'S INSURANCE FOR FISCAL YEAR 1986-1987

Mayor Hansen asked Attorney Peterson to discuss the findings of his investigation regarding Delta City's insurance for 1986-1987.

Attorney Peterson said that he had talked with several disinterested attorneys and other professionals involved in the insurance industry in Utah. He named each of the individuals he had consulted and described the information presented to them and their responses. He said those he talked with did not recommend the Utah Local Government's Trust (ULGT) because they do not have good reserves or good underwriting practices, nor does the trust fund have access to the Utah Insurance Guaranty Association.

Attorney Peterson said that the Utah Local Government's Trust is not admitted as an insurance company by the State of Utah and was not eligible to participate in the Guaranty Association. Sharon Tuttle had said in the previous meeting that Utah Local Government's Trust would become part of the Utah Guaranty

Association after July 1. He said the information available indicates that ULGT has policy limits of \$500,000, with a reinsurance treaty placed through a Lloyds of London correspondent. They have total assets of 1.5 million dollars and they have nothing in surplus, which is the amount that insurance companies set aside to pay off claims that have been submitted. He also said that the Trust is not part of and will not qualify under the Guaranty Association. He therefore recommended to the Council that the insurance coverage for FY 86-87 be placed through commercial carriers.

Attorney Peterson said that Mayor Hansen, John Nickle, and he had met and discussed in detail the Olympus Agency's proposed insurance coverage for Delta City.

He recommended to the Council that they consider deleting certain coverages of the insurance proposed by Olympus Agency, but that the effects of deleting such coverages be carefully reviewed. The Council then reviewed the proposed insurance coverage and determined what coverages could be reduced or eliminated.

Following further discussion, Council Member Craig Greathouse MOVED to accept John Nickle's reduced bid of \$84,096 excluding the umbrella policy coverage, the radio coverage, and the auto physical damage coverage on all vehicles valued at less than \$20,000. The motion was SECONDED by Council Member Don Dafoe. Mayor Hansen asked if there were any further comments or questions regarding the motion. There being none, she called for a vote. The motion passed unanimously.

The Council then discussed the insurance coverage for the fireworks display for the Fourth of July. Following a brief discussion, Council Member Gayle Bunker MOVED to purchase single event insurance coverage for the fireworks display for the Fourth of July. Council Member David Church SECONDED the motion. Mayor Hansen asked if there were any further comments or questions regarding the motion. There being none, she called for a vote. The motion passed unanimously.

Council Member Gayle Bunker was excused from the Council meeting at this time.

JIM ALLAN: CONSIDERATION OF DELTA CITY'S 1985-1986 AMENDED BUDGET

Mayor Hansen requested City Manager Jim Allan to present the proposed amended annual budget for the fiscal year 1985-1986 for review. Mayor Hansen and each Council Member was given a copy of the General Fund Amended Budget for Fiscal Year Ending June 30, 1986, which is as follows:

DELTA CITY
GENERAL FUND AMENDED BUDGET
FOR FISCAL YEAR ENDING 30 JUNE 1986

	<u>ADOPTED BUDGET</u>	<u>AMENDED BUDGET</u>	<u>AMENDED INCREASE (DECREASE)</u>
<u>REVENUES</u>			
A. <u>TAXES</u>			
General Property Tax	94,919	105,381	10,462
Delinquent Prior Year Taxes	4,200	6,848	2,648
General Sales and Use Tax	294,035	303,708	9,673
Franchise Tax	112,000	109,101	(2,899)
TOTAL TAXES:	<u>505,154</u>	<u>525,038</u>	<u>19,884</u>
B. <u>LICENSES AND PERMITS</u>			
Business Licenses and Permits	32,979	27,807	(5,172)
Building Structures and Equipment	21,994	21,994	-0-
Animal Licenses	1,130	1,246	116
TOTAL LICENSES AND PERMITS:	<u>56,103</u>	<u>51,047</u>	<u>(5,056)</u>
C. <u>INTERGOVERNMENTAL REVENUE</u>			
<u>FEDERAL</u>			
Federal Shared Revenue	60,160	66,840	6,680
<u>STATE</u>			
Class "C" Road Fund Allotment	29,800	38,926	9,126
State Liquor Fund Allotment	3,973	10,696	6,723
Alcohol & Drug Highway Safety Prgm.	13,000	7,025	(5,975)
State Sidewalk Safety Program	2,500	2,500	-0-
State Airport Grant	17,500	-0-	(17,500)
<u>COUNTY</u>			
Fire Department Subsidy	25,000	25,000	-0-
TOTAL INTERGOVERNMENTAL:	<u>151,933</u>	<u>150,987</u>	<u>(946)</u>
D. <u>CHARGES FOR SERVICES</u>			
Crossing Guard Reimbursement	1,454	1,690	236
Parks and Recreation Fees	30,277	46,900	16,623
Airport Fees, Lease and Rental	9,100	4,582	(4,518)
Airport Fuel Sales	646	470	(176)
Filing & Checking Bldg. Plan Fees	150	-0-	(150)
Irrigation--Ditch Tax	2,400	1,795	(605)
Road Encroachment Fees	6,500	2,500	(4,000)
Zoning & Subdivision Processg. Fees	260	466	206
TOTAL CHARGES FOR SERVICES:	<u>50,787</u>	<u>58,403</u>	<u>7,616</u>

	<u>ADOPTED BUDGET</u>	<u>AMENDED BUDGET</u>	<u>AMENDED INCREASE (DECREASE)</u>
E. <u>FINES & FORFEITURES</u>			
Court Fines	20,205	13,250	(6,955)
Bail Forfeitures	13,067	15,062	1,995
Bail on Traffic Citations	52,632	27,630	(25,002)
Small Claims Filing Fees	1,521	1,059	(462)
Library Fines and Fees	2,720	4,000	1,380
TOTAL FINES & FORFEITURES:	<u>90,145</u>	<u>61,001</u>	<u>(29,144)</u>
F. <u>MISCELLANEOUS REVENUES</u>			
Interest Earnings	32,315	34,500	2,185
IPA Impact Fees	509,371	497,515	(11,856)
Sale of Fixed Assets & materials	6,500	1,290	(5,210)
Sundry	11,000	9,668	(1,332)
TOTAL MISCELLANEOUS	<u>559,186</u>	<u>542,973</u>	<u>(16,213)</u>
G. <u>BEGINNING FUND BALANCE</u>			
General Fund Reserved	102,000	102,358	358
Class "C" Road Fund	-0-	-0-	-0-
Federal Revenue Sharing	25,673	25,673	-0-
TOTAL FUND BALANCE:	<u>127,673</u>	<u>128,031</u>	<u>358</u>
 TOTAL AVAILABLE:	 <u>1,540,981</u>	 <u>1,517,480</u>	 <u>(23,501)</u>

DELTA CITY
GENERAL FUND AMENDED BUDGET
FOR FISCAL YEAR ENDING 30 JUNE 1986

II. <u>EXPENDITURES</u>	<u>ADOPTED BUDGET</u>	<u>AMENDED BUDGET</u>	<u>AMENDED INCREASE (DECREASE)</u>
<u>A. General Government</u>			
City Council	33,017	26,892	(6,125)
Judicial & City Court	21,343	22,438	1,095
City Manager	45,026	43,190	(1,836)
Treasurer	30,135	27,873	(2,262)
Recorder	38,810	29,018	(9,792)
City Attorney	57,004	57,241	237
City Hall	199,337	171,886	(27,451)
Planning & Zoning	6,000	6,000	
TOTAL	<u>430,672</u>	<u>384,538</u>	<u>(46,134)</u>
 <u>B. Public Safety</u>			
Police Department	402,562	363,663	(38,899)
Fire Department	53,416	47,220	(6,196)
Building Inspection	13,000	11,161	(1,839)
TOTAL	<u>468,978</u>	<u>422,044</u>	<u>(46,934)</u>
 <u>C. Public Works</u>			
Street/Highways	212,319	202,411	(9,908)
Solid Waste/Landfill	19,000	19,419	419
Storm Drainage	16,783	8,687	(8,096)
Engineering	4,200	4,300	100
Irrigation Department	19,049	14,629	(4,420)
TOTAL	<u>271,351</u>	<u>249,446</u>	<u>(21,905)</u>
 <u>D. Parks, Recreation & Public Property</u>			
Parks and Park areas	96,156	82,848	(13,308)
Recreation	72,545	76,797	4,252
Celebrations	9,000	8,443	(557)
Library	46,586	39,022	(7,564)
Airport	9,100	7,485	(1,615)
TOTAL	<u>233,387</u>	<u>214,595</u>	<u>(18,792)</u>
 <u>E. Intergovernmental</u>			
Intergovernmental Transfer/ Expenditures	123,420	31,605	(91,815)
TOTAL	<u>123,420</u>	<u>31,605</u>	<u>(91,815)</u>

	<u>ADOPTED</u> <u>BUDGET</u>	<u>AMENDED</u> <u>BUDGET</u>	<u>AMENDED</u> <u>INCREASE</u> <u>(DECREASE)</u>
F. <u>Interfund Transfers</u>			
1. Street Improvement Project Fund: 45-4410	-0-	46,329	46,329
2. Central Park Expansion Project Fund:45-4510	-0-	28,612	28,612
3. Airport Runway Improvement Project Fund:45-5400	-0-	6,500	6,500
4. Open Drain Enclosure Project Fund: 45-5600	-0-	33,455	33,455
5. Library Trust & Improvement Fund Fund:70-4580	-0-	1,366	1,366
TOTAL	-0-	116,262	116,262

G. TOTAL GENERAL FUND EXPENDITURES

TOTAL	<u>1,527,808</u>	<u>1,418,490</u>	<u>(109,318)</u>
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Ending Fund Balance Appropriated -0-	<u>98,990</u>
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DELTA CITY
WATER UTILITY FUND AMENDED BUDGET
FOR FISCAL YEAR ENDING 30 JUNE 1986

	<u>ADOPTED BUDGET</u>	<u>AMENDED BUDGET</u>
I. <u>REVENUES</u>		
A. <u>Operating Revenues</u>		
Water Sales	240,000	243,000
Hydrant Rental	850	850
Sundry Revenue	500	186
Water Development Fees	<u>5,000</u>	<u>9,900</u>
TOTAL--OPERATING REVENUES	<u>246,350</u>	<u>253,936</u>
B. <u>Non-Operating Revenues</u>		
Interest Earnings	15,000	28,360
Meter Deposits	2,500	2,800
Connection Fees	19,000	23,318
Material Sales	0	250
Sale of Fixed Assets	4,000	2,857
Appropriation of Fund Balance	<u>23,310</u>	<u>20,892</u>
TOTAL--NON-OPERATING REVENUES	<u>63,810</u>	<u>78,477</u>
TOTAL--REVENUES	<u><u>310,160</u></u>	<u><u>332,413</u></u>
II. <u>EXPENDITURES</u>		
A. <u>Personal Services</u>		
Salaries and Wages--Regular	40,355	40,690
Overtime	4,036	4,000
Salaries and Wages--Temporary	1,500	2,727
FICA	3,236	3,220
Employee Insurance	6,392	4,919
Retirement	4,285	3,729
Longevity and Other	<u>275</u>	<u>224</u>
TOTAL--PERSONAL SERVICES	<u>60,079</u>	<u>59,509</u>

	<u>ADOPTED BUDGET</u>	<u>AMENDED BUDGET</u>
B. <u>Contractual Services</u>		
Telephone and Telegraph	1,080	1,748
Postage	1,600	1,104
Printing and Publishing	50	0
Rental of Equipment	500	0
Automobile and Other Allowances	1,200	1,200
Utilities	48,500	46,414
M and R--Equipment	5,200	1,370
M and R Radio Equipment	400	246
M and R Motor Equipment	2,000	200
M and R Buildings	2,000	1,349
Travel and Meetings	2,000	1,180
Dues and Subscription	350	260
Miscellaneous Contractual Services	500	500
Professional and Technical--CPA	1,500	1,500
Debt Retirement	50,876	50,876
Meter Reader	3,330	283
Insurance	2,450	6,302
Meter Deposit Refund	2,500	1,700
TOTAL--CONTRACTUAL SERVICES	<u>126,036</u>	<u>116,232</u>
C. <u>Commodities</u>		
Construction Materials and Supplies	26,000	66,914
Motor Fuel and Lubricants	< 3,000	2,090
Equipment, Repair Parts	2,500	625
Chemicals and Lab Supplies	750	726
Office Supplies	500	184
Small Tool and Equipment	1,600	958
Uniforms, Protective Clothing	1,312	724
Janitorial and Cleaning Supplies	200	0
Other Special Departmental Supplies	1,703	1,147
TOTAL--COMMODITIES	<u>37,565</u>	<u>73,368</u>
D. <u>Capital Outlay</u>		
Autos and Self-Propelled Equipment	25,000	23,468
Office Equipment	1,140	1,140
Land Acquisition, Yard Improvements	9,332	7,954
Fuel Dump	3,333	0
Depreciation Expense	42,675	45,742
Water Acquisition	5,000	5,000
TOTAL--CAPITAL OUTLAY	<u>86,480</u>	<u>83,304</u>
TOTAL EXPENDITURES	<u>310,160</u>	<u>332,413</u>

DELTA CITY
SEWER UTILITY FUND AMENDED BUDGET
FOR FISCAL YEAR ENDING 30 JUNE 1986

	<u>ADOPTED BUDGET</u>	<u>AMENDED BUDGET</u>
I. <u>REVENUES</u>		
A. <u>Operating Revenues</u>		
Sewer Service Charges	140,000	133,698
TOTAL OPERATING REVENUES	140,000	133,698
B. <u>Non-Operating Revenues</u>		
Interest	11,500	17,767
Connection Fees	30,000	24,888
Sale of Excess Equipment	4,000	2,857
Appropriation of Fund Balance	22,100	149,618
TOTAL NON-OPERATING REVENUES	67,600	195,130
TOTAL REVENUES	207,600	328,828
II. <u>EXPENDITURES</u>		
A. <u>Personal Services</u>		
Salaries and Wages--Regular	34,823	34,062
Overtime	3,482	3,400
Salaries and Wages--Temporary	0	295
FICA	2,699	2,524
Employee Insurance	5,629	4,556
Retirement	3,696	3,236
Longevity and Other	230	173
TOTAL--PERSONAL SERVICES	50,559	48,246
B. <u>Contractual Services</u>		
Telephone and Telegraph	1,083	2,068
Postage	800	771
Printing and Publishing	50	0
Rental of Equipment	500	0
Automobile and Other Allowances	900	900
Utilities	11,095	8,438

	<u>ADOPTED BUDGET</u>	<u>AMENDED BUDGET</u>
B. <u>Contractual Services (continued)</u>		
M and R--Equipment	4,200	630
M and R--Radio Equipment	300	246
M and R--Motor Equipment	2,500	160
M and R--Buildings	2,000	1,349
Travel and Meetings	500	415
Misc. Contractual Services	500	500
Insurance	2,150	6,302
Debt Retirement	12,000	157,614
Professional and Technical--CPA	<u>1,500</u>	<u>1,500</u>
TOTAL--CONTRACTUAL SERVICES	<u>40,078</u>	<u>180,893</u>
C. <u>Commodities</u>		
Construction Materials and Supplies	8,000	3,696
Motor Fuel and Lubricants	3,000	2,062
Equipment Repair Parts	1,500	680
Chemicals and Lab Supplies	500	725
Office Supplies	250	184
Small Tool and Equipment	1,275	830
Uniforms, Protective Clothing	1,192	593
Other Special Departmental Supplies	1,000	1,750
Sundry (Sewer Back-Up Problems)	0	317
APU Fuels	<u>1,020</u>	<u>72</u>
TOTAL--COMMODITIES	<u>17,737</u>	<u>10,909</u>
D. <u>Capital Outlay</u>		
Autos and Self-Propelled Equipment	25,000	23,468
Office Equipment	1,140	1,140
Depreciation Expense	60,421	56,218
Land Acquisition, Yard Improvements	9,332	7,954
Fuel Tanks and Dispenser	<u>3,333</u>	<u>0</u>
TOTAL--CAPITAL OUTLAY	<u>99,226</u>	<u>88,780</u>
TOTAL EXPENDITURES	<u>207,600</u>	<u>328,828</u>

AMENDED BUDGET

FIRE HOUSE EXPANSION PROJECT

FUND
45-4220

I. REVENUE

Beginning Balance

TOTAL 24,389
24,389

II. EXPENDITURES

Buildings

19,876

Ending Balance Transferred to General Fund

4,513

TOTAL 24,389

AMENDED BUDGET

STREET IMPROVEMENT PROJECT
STREET

FUND
45-4410

	<u>APPROVED BUDGET</u>	<u>AMENDED BUDGET</u>
I. <u>REVENUE</u>		
Beginning Balance	1,105,799	1,089,561
Transfer from General Fund	-0-	46,329
Interest		17,429
TOTAL	<u>1,105,799</u>	<u>1,153,319</u>
II. <u>EXPENDITURES</u>		
Personnel	-0-	1,030
Contractual	98,392	58,088
Material/Construction	926,384	941,439
Contingency	81,023	-0-
Ending Balance	-0-	152,762
TOTAL	<u>1,105,799</u>	<u>1,153,319</u>

AMENDED BUDGET

STREET IMPROVEMENT PROJECT

MATERIAL

FUND
45-4410

<u>APPROVED</u> <u>BUDGET</u>	<u>AMENDED</u> <u>BUDGET</u>
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I. REVENUE

Transfer from General Fund
-Streets

<u>71,300</u>	<u>15,945</u>
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TOTAL

<u><u>71,300</u></u>	<u><u>15,945</u></u>
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II. EXPENDITURES

Personnel
Contractual
Material/Construction
Contingency

-0-	-0-
-0-	573
71,300	15,372
<u>-0-</u>	<u>-0-</u>

TOTAL

<u><u>71,300</u></u>	<u><u>15,945</u></u>
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AMENDED BUDGET

STREET IMPROVEMENT PROJECT
DRAINAGE

FUND
45-4410

<u>APPROVED</u> <u>BUDGET</u>	<u>AMENDED</u> <u>BUDGET</u>
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I. REVENUE

Transfer From General Fund-Streets

<u>-0-</u>	<u>800</u>
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TOTAL

<u>-0-</u>	<u>800</u>
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II. EXPENDITURES

Personnel
Contractual
Material/Construction
Contingency

<u>-0-</u>	<u>-0-</u>
<u>-0-</u>	<u>800</u>
<u>-0-</u>	<u>-0-</u>
<u>-0-</u>	<u>-0-</u>

TOTAL

<u>-0-</u>	<u>800</u>
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AMENDED BUDGET

STREET IMPROVEMENT PROJECT
MAIN STREET

FUND
45-4410

	<u>APPROVED BUDGET</u>	<u>AMENDED BUDGET</u>
I. <u>REVENUE</u>		
Contributions	-0-	7,722
Transfer from General Fund		
-Streets		<u>8,929</u>
TOTAL	<u>-0-</u>	<u>16,651</u>
II. <u>EXPENDITURES</u>		
Personnel	-0-	
Contractual	-0-	6,573
Material/Construction	-0-	10,078
Contingency	-0-	<u>-0-</u>
TOTAL	<u>-0-</u>	<u>16,651</u>

AMENDED BUDGET

STREET IMPROVEMENT PROJECT
SANDHILL ROAD

FUND
45-4410

<u>APPROVED</u> <u>BUDGET</u>	<u>AMENDED</u> <u>BUDGET</u>
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I. REVENUE

Transfer from General Fund
-Street

6,023

TOTAL

-0-

6,023

II. EXPENDITURES

Personnel
Contractual
Material/Construction
Contingency

-0-

5,949

-0-

74

-0-

-0-

TOTAL

-0-

6,023

AMENDED BUDGET

Y-PROJECT

FUND
45-4416

I. REVENUES

Beginning Balance	4,460
State Grant - Sidewalk, Safety Program	<u>2,500</u>
TOTAL	<u>6,960</u>

II. EXPENDITURES

Y-Project	4,460
Ending Balance	<u>2,500</u>
TOTAL	<u>6,960</u>

AMENDED BUDGET:

CENTRAL PARK EXPANSION PROJECT

FUND
45-4510

I. REVENUE SOURCE

	<u>APPROVED BUDGET</u>	<u>AMENDED BUDGET</u>	<u>AMENDED INCREASE (DECREASE)</u>
Transfer from Park Dedication Reserve Fund:82	13,200	14,221	1,020
Transfer from General Fund		28,612	28,612
TOTAL	<u>13,200</u>	<u>42,833</u>	<u>42,833</u>

II. EXPENDITURE

Purchase of Land	13,200	14,101	901
Ending Balance		28,732	28,732
TOTAL	<u>13,200</u>	<u>42,833</u>	<u>28,732</u>

AMENDED BUDGET

AIRPORT RUNWAY IMPROVEMENT PROJECT

FUND
45-5400

	APPROVED BUDGET	AMENDED BUDGET
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I. REVENUE SOURCE

Beginning Balance	17,500	17,500
Transfer from General Fund		6,500
Utah State Grant	<u>17,500</u>	<u>-0-</u>
TOTAL	<u>35,000</u>	<u>24,000</u>

II. EXPENDITURES

Runway Improvements	35,000	-0-
Ending Balance	<u>-0-</u>	<u>24,000</u>
TOTAL	<u>35,000</u>	<u>24,000</u>

AMENDED BUDGET:

OPEN DRAIN ENCLOSURE PROJECT

FUND
45-5600

<u>I. REVENUE SOURCE</u>	<u>APPROVED BUDGET</u>	<u>AMENDED BUDGET</u>	<u>AMENDED INCREASE (DECREASE)</u>
Transfer From Reserve Emergency Fund	86,376	86,376	-0-
Community Impact Board Grant	498,612	180,000	(318,612)
Transfer From General Fund	-0-	33,455	33,455
	<u>584,988</u>	<u>299,831</u>	<u>(285,157)</u>
 <u>II. EXPENDITURES</u>			
Engineering	27,000	14,250	(12,750)
Materials	202,000	102,030	(99,970)
Construction	302,000	158,725	(143,275)
Contingencies	<u>53,988</u>	<u>24,826</u>	<u>(29,162)</u>
	<u>584,988</u>	<u>299,831</u>	<u>(285,157)</u>

AMENDED BUDGET

LIBRARY TRUST AND IMPROVEMENT FUND

FUND
70-4580

<u>I. REVENUE SOURCE</u>		
Donations		7,295
Interest		472
Transfer From General Fund		<u>1,365</u>
TOTAL		<u>9,132</u>

II. EXPENDITURE

AMENDED BUDGET:

IMPACT FEES - SUBDIVISION

FUND
71

I. REVENUE SOURCE

Approved
FY 85-86

Subdivision Fees
Interest
Fund Balance

733
1,631
22,676
\$25,040

II. EXPENDITURES

Approved
FY 85-86

Refunds
Ending Balance

723
24,317
\$25,040

AMENDED BUDGET:

PARK DEDICATION FUND

FUND
72

I. REVENUE SOURCE

Approved
FY 85-86

Interest
Fund Balance

782
13,439

TOTAL:

\$14,221

II. EXPENDITURES

Approved
FY 85-86

Transfer to Capital Projects
45-4510

14,221

TOTAL:

\$14,221

AMENDED BUDGET:

SPECIAL IMPROVEMENT DISTRICT 83-1

FUND
81

I. REVENUE SOURCE

Approved
FY 85-86

Assessments

Principal

5,495

Interest

7,514

Interest Earnings

6,892

Sale of Bonds

81,525

TOTAL

101,426

II. EXPENDITURES

Approved
FY 85-86

Bond Payment:

Principal

8,000

Interest

7,290

Interest

374

Agents Fee

525

Interim Warrants

65,348

Interim Interest

3,982

Miscellaneous Expense

15,907

TOTAL

101,426



Following review and discussion of the amended budget, Council Member Craig Greathouse MOVED to adopt Resolution No. 86-151 entitled:

RESOLUTION NO. 86-151

A RESOLUTION AMENDING RESOLUTION NO. 85-128 AND THE BUDGET ADOPTED THEREBY TO PROVIDE FOR AMENDMENTS TO THE FISCAL YEAR 1985-1986 BUDGET OF THE CITY OF DELTA, UTAH.

Council Member Don Dafoe SECONDED the motion. Mayor Hansen asked if there were any further comments or questions regarding the motion. There being none, she called for a roll call vote. The voting was as follows:

Council Member Gayle Bunker	Absent
Council Member David Church	Yes
Council Member Don Dafoe	Yes
Council Member Neil Dutson	Yes
Council Member Craig Greathouse	Yes

Mayor Hansen then signed the resolution and it was attested by City Recorder Dorothy Jeffery.

Attorney Peterson explained that the Council is entitled to five days notice of any budget amendments, but the Council may choose to waive that requirement. Mayor Hansen then called for a roll call vote to see if the Council desired to waive the five day notice. The voting was as follows:

Council Member Gayle Bunker	Absent
Council Member David Church	Yes
Council Member Don Dafoe	Yes
Council Member Neil Dutson	Yes
Council Member Craig Greathouse	Yes

MAYOR HANSEN: CONSIDERATION OF CONTRIBUTION TO MILLARD COUNTY INDUSTRIAL DEVELOPMENT COMMITTEE

Mayor Hansen reviewed background material and explained that \$3,000 has been paid to the Millard County Industrial Development Committee (MCID) during the fiscal year and Delta City has been billed an additional \$3,000, for a total of \$6,000. Mayor Hansen said that the \$6,000 was determined by charging \$1.00 per Delta City resident.

Mayor Hansen said that the population of Delta did not reach 6,000 during the past fiscal year.

Following a brief discussion, Council Member David Church MOVED to approve payment to the MCID in the amount of \$2,000. Council Member Don Dafoe SECONDED the motion. Mayor Hansen asked if

there were any further comments or questions regarding the motion. There being none, she called for a vote. The motion passed unanimously.

JIM ALLAN: CONSIDERATION OF APPROVAL FOR BID AWARD TO ROLFE CONSTRUCTION

Mayor Hansen requested City Manager Jim Allan to review a bid award to Rolfe Construction for the Delta City Open Drain Enclosure Project.

Mr. Allan said that he had talked with City Engineer John Quick. He said Mr. Quick has contact Rolfe Construction and feels that Rolfe Construction is a competent company and recommended that the Council accept the bid for the Open Drain Enclosure Project and proceed with the project.

Mr. Allan reported that Rolfe Construction has installed large pipe before, and has worked in wet areas. Mr. Allan also reported that Rolfe Construction has inspected the project site prior to the bid by looking at the drains, and has determined that the site is stable and understands that they will be required to dig at least 9 feet below the natural ground surface. Rolfe Construction, along with John Quick, has determined that there may be isolated trouble spots in the equipment and experience for the project and will transport their equipment to Delta.

Following a brief discussion, Council Member Craig Greathouse MOVED to accept Rolfe Construction's bid of \$127,078.25 for the construction of the Open Drain Enclosure Project for Delta City. Council Member David Church SECONDED the motion. Mayor Hansen asked if there were any further comments or questions regarding the motion. There being none, she called for a vote. The motion passed unanimously.

WARREN PETERSON: CONSIDERATION OF MUNICIPAL FINANCE COOPERATIVE RESOLUTION AND INTERLOCAL AGREEMENT

Mayor Hansen requested that Attorney Warren Peterson present the Municipal Finance Cooperative proposed resolution and Interlocal Agreement.

Attorney Warren Peterson reviewed the following memorandum in detail with the Council:

WADDINGHAM & PETERSON
ATTORNEYS AT LAW
P.O. BOX 430, 362 WEST MAIN
DELTA, UTAH 84624

THORPE WADDINGHAM
WARREN H. PETERSON
RICHARD WADDINGHAM

(801) 864-2748

DATE: June 23, 1986
TO: Mayor Ruth Hansen
FROM: Warren H. Peterson, Delta City Attorney
RE: Utah Municipal Finance Cooperative Resolution and
Interlocal Agreement

The proposed resolution prepared for adoption by the City Council appears to be in proper legal form, except for Section 8, which provides that the resolution repeals any conflicting orders, ordinances, etc. The resolution cannot repeal conflicting ordinances, inasmuch as it is not published and does not meet other legal criteria for an ordinance. The word "ordinances" should therefore be stricken from Section 8.

There are several issues found in the resolution and the agreement which require discussion. First, the resolution approves an agreement in substantially the same form as the document entitled "Utah Municipal Finance Cooperative Agreement" attached to the resolution. The resolution also delegates authority to review and execute the final draft of the agreement to the person designated in the resolution (Section 3). In the case of Delta City, that person should be Mayor Hansen. Delegation of such authority could constitute an overbroad delegation of legislative authority, depending on the final draft of the agreement.

The interlocal agreement itself contains several ambiguities and drafting weaknesses. The first is the reference to "districts of various kinds" throughout the agreement, without further definition. The term "districts" should be defined as

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those districts which may be permitted to become parties to interlocal cooperation act agreements under the Act. The Act specifies that such districts must themselves be political subdivisions of the state.

The next area of concern is found in Article III.

Article III contains the following sentence:

The Executive Committee shall adopt bylaws which are not in conflict with this agreement by a majority vote of its members.

The term "members" is apparently used in more than one sense in this ageement. In this context, it appears to refer to members of the Executive Committee. In my opinion, the bylaws should be adopted by the members of the cooperative as defined in Section 1.01(8). Also, the language of Article III could be more clear by referring to the members of the Executive Committee as directors.

Another concern is the provision of Article III which reads:

[P]rovided, however, that the chairman shall always be the president of the Utah League of Cities and Towns unless the Members shall otherwise direct.

In this context, the article does refer to the defined term "members." It does not state, however, how the members will direct that someone other than the president of the Utah League of Cities and Towns will be chosen. The language could read

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"unless the Members shall otherwise direct pursuant to provisions set out in the bylaws adopted by the Members."

My greatest concern with Article III is that the Executive Director of the Utah League of Cities and Towns is permanently established as the administrator of the pool. This is established by a vague reference to Section 5 of the resolution. This may well create problems. For instance:

- a. Conflicts of interest may develop between the Utah League of Cities and Towns and the pool which would require independent administration of the two organizations.
- b. Without the checks and balances of having separate individuals administer the two organizations, substantial potential for abuse or impropriety will exist.
- c. No information has been provided, to my knowledge, regarding the level of expertise that will be necessary to administer the pool and whether the Utah League Executive Director possesses those capabilities.
- d. In order to amend the agreement, or the resolution incorporated by the last sentence of Article III into the agreement, the unanimous consent of each party to the agreement will be necessary. I am not aware of the politics behind this designation, nor the background of

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how it was incorporated into the agreement by such a subtle reference. Once this resolution and agreement are adopted, however, the joint function of Executive Director of the Utah League and administrator of the pool becomes very hard to separate. Our experience with the West Millard Hospital District and the trust administered by its Board bears out some of the possible problems that may result.

The next problem noted in the agreement is a minor one in Section 5.01. The word "statutory" should be entered before the phrase "keeper of records."

Article VI of the agreement also causes concern. If the power of eminent domain were necessary for any project to be carried out under the pool, it may well be that the delegation of eminent domain power to the pool could be successfully challenged by an interested party. I suggest that Article VI be re-written to provide that if the general grant of powers to an entity formed under the Interlocal Cooperation Act is held to not include the specific grant of power of eminent domain, then the participant in the pool must be obligated to exercise those powers on its own. Such a standby provision would be helpful.

Finally, the agreement itself contains only the signa-

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ture of Delta City. The agreement fairly well sets out that other parties intend to be bound, along with other participants in the pool. A master agreement will have to be prepared and executed by all parties.

Please note that this review considers only the drafts of the resolution and the Utah Municipal Finance Cooperative Agreement. I have not and cannot express an opinion as to the validity of the bonding concept to be pursued by the pool, nor of the advantages or disadvantages to Delta City of entering into this pool.

The cover letter from Jan Furner to Jim Allan by which the resolution and agreement were transmitted to Delta City indicated that the approved resolution should be submitted by June 23, 1986. It may be well to see if that date can be extended.

Please let me know if any further comment would be helpful to you on either of the two documents submitted.

Following discussion of the memorandum, Attorney Peterson presented a proposed resolution entitled:

RESOLUTION NO. 86-152

RESOLUTION APPROVING THE UTAH MUNICIPAL FINANCE COOPERATIVE AGREEMENT

Following discussion of the proposed resolution and the Utah Municipal Finance Cooperative Agreement, Council Member Don Dafoe MOVED to adopt Resolution No. 86-152 and to appoint Mayor Ruth Hansen as elected official to represent Delta City, as set out in the resolution and that she be authorized to present the questions raised in the memorandum from Mr. Peterson to see if an improved agreement could be negotiated to replace the one to be approved by this resolution. Council Member Neil Dutson SECONDED the motion. Mayor Hansen asked if there were any further comments or questions regarding the motion. There being none, she called for a roll call vote. The voting was as follows:

Council Member Gayle Bunker	Absent
Council Member David Church	Yes
Council Member Don Dafoe	Yes
Council Member Neil Dutson	Yes
Council Member Craig Greathouse	Yes

Mayor Ruth Hansen then signed the resolution and it was attested by City Recorder Dorothy Jeffery.

JIM ALLAN: CONSIDERATION OF MILLARD COUNTY AGREEMENT FOR SOLID WASTE AND LANDFILL OPERATION SERVICE

Mayor Hansen requested City Manager Jim Allan to present a proposed resolution and agreement for solid waste and landfill operation service.

Mr. Allan presented a proposed resolution entitled:

RESOLUTION NO. 86-153

A RESOLUTION ESTABLISHING SOLID WASTE DISPOSAL FEES AND ESTABLISHING THE MANNER IN WHICH SAID FEES SHALL BE COLLECTED WITHIN THE CITY OF DELTA, UTAH AND AUTHORIZING AN INTERLOCAL COOPERATION ACT AGREEMENT BETWEEN DELTA CITY AND MILLARD COUNTY.

Following review of the proposed resolution, Mr. Allan reviewed with the Council a proposed Interlocal Cooperation Act Agreement between Millard County and Delta City regarding Solid Waste Management Services.

Following a brief discussion, Council Member Don Dafoe MOVED to adopt Resolution No. 86-153 and to authorize Mayor Hansen to sign

agreement with Millard County as prepared by Attorney Peterson. The motion was SECONDED by Council Member David Church. Mayor Hansen asked if there were any further comments or questions regarding the motion. There being none, she called for a roll call vote. The voting was as follows:

Council Member Gayle Bunker	Absent
Council Member David Church	Yes
Council Member Don Dafoe	Yes
Council Member Neil Dutson	Yes
Council Member Craig Greathouse	Yes

Mayor Hansen then signed the resolution and the agreement and it was attested by City Recorder Dorothy Jeffery.

WARREN PETERSON: REQUEST FOR INSTRUCTIONS ON INSURANCE ERROR AND OMISSIONS CLAIMS

Mayor Hansen asked Attorney Warren Peterson to present his request to the Council.

Attorney Peterson requested instructions from the Council as to whether or not he should proceed with an errors and omissions claims arising from lack of coverage in the Russell McAuley case.

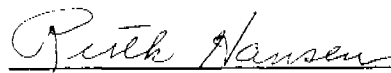
Mr. Peterson said that there was a letter written to Mayor Hansen from the law firm of Hansen, Duan, Epperson and Smith, who for \$2,500 will investigate and give an opinion as to the likelihood of recovery against the insurance agent and the insurance company. Attorney Peterson asked if the Council wanted the investigation to proceed at this time.

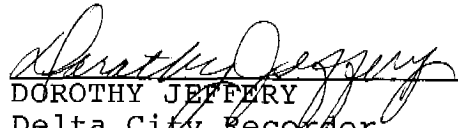
The Council concurred that the proposed investigation study should be conducted at this time.

OTHER BUSINESS

Attorney Peterson discussed other pending litigation.

Mayor Ruth Hansen asked if there were any further comments or questions or items to be discussed. There being none, Council Member David Church MOVED to adjourn the meeting. The motion was SECONDED by Council Member Neil Dutson. Mayor Hansen declared the meeting adjourned at 7:00 p.m.


RUTH HANSEN, Mayor


DOROTHY JEFFERY
Delta City Recorder

MINUTES APPROVED: RCCM 8-04-86